



## EUROPEAN COMMISSION

Brussels, 12.9.2013  
C(2013) 5794 final

Dear President,

The Commission would like to thank the Riksdag for its Opinion concerning the Green Paper on long term financing of the European economy {COM (2013) 150 final}.

The Commission agrees with the need to follow developments in the sector closely and that any proposal regarding the regulatory framework of the banking sector should take observations from the sector into account.

The Commission entirely agrees with the Riksdag on the need to take into account national differences, where relevant, and to respect the principle of subsidiarity.

Regarding taxation, the Commission welcomes the comments by the Riksdag according to which this area offers scope for better channeling savings into long-term financing. None of the questions listed in the Green Paper in this regard raises a problem of "competence", a matter which is exclusively addressed in the Treaties.

The Commission agrees with the Riksdag that the proposed measures should not have a negative impact on financial stability and consumer protection and that there is a need to pay attention to the potential effects of the proposed measures on the shadow banking sector.

The Commission would like to thank the Riksdag for pointing out the potential impact of the regulatory burden on small banks and on their capacity to provide the local economy with long-term financing. It will carefully analyze the results of the consultation exercise in that respect and look for appropriate ways of tackling the issue.

Regarding the Riksdag's concern that the potential risk exposure from financial instruments could increase the pressure on the EU budget, the Commission would like to point out that, in accordance with Article 317 TFEU, the Commission shall implement the budget in cooperation with Member States. This will be under its own responsibility and within the limits of the appropriations, having regard to the principles of sound financial management. The Court of Auditors checks the revenue and expenditure of the European Union for legality and regularity and ensures that its financial management is sound.

The Commission equally recognises the importance of public finances for long-term investment. It would like to remind that the current EU fiscal framework offers scope to

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*balance the acknowledgment of productive public investment needs with fiscal discipline objectives. Public investment is one of the relevant factors to be taken into account when the fiscal position of a Member State is being assessed in the report foreseen under Article 126(3) TFEU that precedes the launch of an excessive deficit procedure.*

*The Commission hopes that these clarifications address the concerns and issues raised by the Riksdag and looks forward to continuing the political dialogue in the framework of the potential follow up to the Green Paper.*

*Yours faithfully,*

*Maroš Šefčovič  
Vice-President*